

Money Mart

Gold was steady yesterday, with fluctuations ranging between \$269 and \$274 a tael. Opening and closing quotations were \$272.50 and \$273.50 respectively.

Platinum fluctuated between \$10.35 and \$10.82 per 100; opening and closing quotations were \$10.35 and \$10.80 respectively. Chinese National Currency was stationary at 36 cents for futures and 47 cents for spot (for CNY\$1,000).

U.S. dollars were stronger at \$4.87. Sterling and Australian pounds were quoted at \$14.35 and \$12.53 respectively, buyers.

COOK AWAY FROM SHIP

In the Marine Court yesterday, before Comdr. Ryder, John Kerr, 21, second cook of the s.s. "Kingsland," was fined 14 days' pay for absenting himself from his ship without leave from March 9 to 11.

The master of the ship, Capt. J. M. Robertson, who appeared in Court as complainant, said Kerr left because he could not get on with the chief cook, judged a complaint with the Shipping Master, and refused to return to the ship.

ARRIVALS AND DEPARTURES

Peninsula Hotel arrivals: Duncan M. Roberts, Dr. R. A. Jepson, W. C. Graham, J. A. Bond, R. V. Stachurski, Ch. Wehrer, O. Laperche, Leo Forbes and Joseph Turner.

Peninsula Hotel departures: Major E. N. Shover, Mrs. Betty Hall, J. Taylor, Henry Engham, H. B. Nelson, Mr. and Mrs. W. Y. Tu, L. H. Dapson, G. Lim, G. F. Cross and G. Lombard.

The case of Tse Ching, who is charged with murder, was adjourned yesterday by Mr. Justice Williams to the March Sessions. Hearing was originally fixed for the February Sessions.

WOMEN & JURY SERVICE

Meetings To Be Called

(By Margaret Bradbury)

A determined bid to include women on Hong Kong's at present all-male court juries will shortly be made through official channels. Sixteen of Hong Kong's prominent women met together yesterday afternoon and decided that the Colony's age-old rule of "no women allowed" on juries should be abolished.

In the home of Mrs. T. M. Hazelrigg, wife of the Advisor to the Government, an organising committee of six members was set up, which will call meetings of women in the community who are interested in this project.

The first meeting will be held on Wednesday next at 5.30 p.m. on the fourth floor of the Y.W.C.A. Rutton Building, Duddell street, when Mrs. Hazelrigg put it: "All women who are public spirited in any way should attend and give us support."

Over tea and cakes yesterday the sixteen women fluently discussed the modern woman's responsibility towards the community as a whole. Said Mrs. Macintosh, wife of Hong Kong's new Commissioner of Police: "I think women must feel much more like assuming responsibilities than they did a few years ago. The war has made a tremendous difference."

Eleanor Thom of the North-east Training College pointed out that in her opinion if women wished to gain absolute equality with men then they must assume more responsibilities.

At the meeting on Wednesday all important points dealing with what exactly being a member of a jury involves will be explained and it is likely that a petition will be addressed to the Colonial Secretary calling for his support in introducing this to the Legislative Council.

Present Procedure

At the moment there are about three thousand people available in Hong Kong for jury service. As between 200 to 240 names are placed on the lists each month this just works out on a yearly basis. The reason why a number of men in the Colony have been called twice or more times during the past year for jury service is explained by the fact that the F.A.M. took down names of all available jury servers as they arrived back in the Colony. Since then a much larger list has been compiled by the civil authorities as more people have returned.

The procedure adopted in securing people for jury service is that forms are sent out in December to all firms in the Colony for names of employees between the ages of 21 and 60 to be entered. These people are required to be subject to "non-affiliation of deafness, blindness or other such affliction, be a good, and sufficient person resident in the Colony, and to have a knowledge of the English language which will enable him to understand the evidence of witnesses, the address of Counsel and the Judge's summing up."

Names which are returned to the authorities are sorted and arranged into periodic lists which are placed outside the Supreme Court building. Jury servers are called by a Bailiff who serves them with summons giving time and date and usually allowing a week or more of notice. In special cases a longer period is allowed.

Over 25's Only
At yesterday's meeting it was unanimously decided that women who may serve on the Colony's future juries should be between the ages of 25 and 60 because according to Miss Grace Ezra, Court official, "If they were under 25 they might possibly be swayed by the eloquence of a good Counsel's oratory."

Among those women yesterday who became keen supporters of introducing women to the juries here after reading an article in the "China Mail" some weeks ago were Miss B. Kotewall, Mrs. M. K. Lo, Mrs. Lambert Kwok, Mrs. J. Crutwell, Mrs. Leo d'Almada, Miss T. H. Shin, Miss Eleanor Thom, Miss Grace Ezra, Mrs. T. Macintosh, Mrs. Shroff, Mrs. C. Fletcher, Mrs. P. Y. Tsung, Dr. K. F. Wu, and Mrs. T. M. Hazelrigg.

It is officially announced by the Railway Authorities that the Joint Railways Tender Board have accepted the South China Iron Works' tender for the assembly of 50 wagons at a sum of HK\$55,750. The work will be completed in a month's time.

Foreign Residents In Shanghai

Shanghai, Mar. 13.

The Municipal Police Bureau at a press conference today disclosed the following February census of foreign residents in this city:—
United States, 2,433; Soviet Union, 7,614; Britain, 3,148; France, 1,638; Holland, 101; Greece, 271; Norway, 172; Portugal, 2,193; Sweden, 153; Switzerland, 287; Belgium, 37; Spain, 310; Denmark, 373; Finland, 28; Canada, 135; Iran, 89; Czechoslovakia, 419; Austria, 56,541; Turkey, 53; Egypt, 8; Hungary, 183; Australia, 102; Mexico, 1; Brazil, 2; Iraq, 88; India, 854; Italy, 884; Germany, 2,104; Korea, 911; Indo-China, 250; White Russia, 9,044; Japan, 1,054; Bulgaria, 5; Lithuania, 18; States, 10,000; and others, 547.—Central News.

JUST LAZINESS?

A fine of \$50 each was imposed by Mr. Latimer at Kowloon on Mak Chin-ching and Ng Cheung on their pleading guilty to taking part in a procession on Shanghai Street on March 11 without permission from the Secretary for Chinese Affairs.

DSI Mackenzie informed His Worship that a permit could easily have been obtained and that it was due to their sheer laziness or carelessness that no application was made by the accused for one.

THE HONG KONG JOCKEY CLUB

NOTICE

THIRD EXTRA RACE MEETING, 1947

The Meeting advertised for Saturday, 8th March, 1947, has been postponed until Saturday, 15th March, 1947.

All previous arrangements as to Time and Entries, together with Admission Tickets and Cash Sweep Tickets, including Through chances already booked will hold good for that date.

DECLARATIONS

Owners are notified that all starting declarations are cancelled. Ponies starting on Saturday, 15th March, will require to be declared in the usual manner.

By Order,
C. B. BROWN,
Secretary.

Hongkong, 8th March, 1947.

THE HONG KONG JOCKEY CLUB

Draft Programmes and Entry Forms for the Fourth Extra Race Meeting to be held on Saturday, 22nd March 1947 (weather permitting) may be obtained at the Secretary's Office, Exchange Building; the Club House, Happy Valley; and the Stables, Shan Kwong Road.

Entries close at 3.00 p.m. on Monday, 17th March 1947.

By Order,
C. B. BROWN,
Secretary.

NOTICE

IN THE SUPREME COURT OF HONG KONG

PROBATE JURISDICTION

IN THE GOODS of Thomas Ernest Pearce late of John D. Hutchison & Co. King's Building, Victoria in the Colony of Hong Kong, Merchant, deceased.

NOTICE IS HEREBY GIVEN that the Court has by virtue of Section 58 of the Probates Ordinance 1897, made an Order limiting the time for creditors and others to send in their claims against the above estate to the 31st day of March 1947.

All Creditors and others are accordingly hereby required to send their claims to the undersigned on or before that date.

Dated the 4th day of March 1947.

WILKINSON & GRIST,
Solicitors for the Administrator of the estate of the abovenamed deceased.

No. 2 Queen's Road Central, Hong Kong.

NOTICE

IN THE SUPREME COURT OF HONG KONG

PROBATE JURISDICTION

IN THE GOODS of Joseph Harrop late of No. 17 Peak Mansions in the Colony of Hong Kong, Merchant, deceased.

NOTICE IS HEREBY GIVEN that the Court has by virtue of Section 58 of the Probates Ordinance 1897, made an Order limiting the time for creditors and others to send in their claims against the above estate to the 31st day of March 1947.

All Creditors and others are accordingly hereby required to send their claims to the undersigned on or before that date.

Dated the 4th day of March 1947.

WILKINSON & GRIST,
Solicitors for the Administrator of the estate of the abovenamed deceased.

No. 2 Queen's Road Central, Hong Kong.

NOTICE

IN THE SUPREME COURT OF HONG KONG

PROBATE JURISDICTION

IN THE GOODS of Michael Robson Bell late of the Hong Kong & Whampoa Dock Company Limited Kowloon in the Colony of Hong Kong, Engineer Draughtsman, deceased.

NOTICE IS HEREBY GIVEN that the Court has by virtue of Section 58 of the Probates Ordinance 1897, made an Order limiting the time for creditors and others to send in their claims against the above estate to the 31st day of March 1947.

All Creditors and others are accordingly hereby required to send their claims to the undersigned on or before that date.

Dated the 4th day of March 1947.

WILKINSON & GRIST,
Solicitors for the Administrator of the estate of the abovenamed deceased.

No. 2 Queen's Road Central, Hong Kong.

THE HONGKONG ELECTRIC COMPANY, LIMITED

NOTICE is hereby given that the Fifty-fourth Ordinary Yearly Meeting of Shareholders will be held at the Company's Office, 4th floor, P. & O. Building, on Thursday, the 20th day of March 1947 at 11 a.m. for the purpose of receiving the Report of the Board of Directors together with the Statement of Accounts for the period 1st September, 1946 to 31st December, 1946, and to elect Directors and appoint Auditors.

By Order of the Board,

GIBB LIVINGSTON & CO., LTD.,
Agents.

Hong Kong, 21st Feb., 1947.

PUBLIC WORKS DEPARTMENT

It is hereby notified that the following Sale of Crown Land by Public Auction will be held at the Office of the Public Works Department on Monday, the 17th day of March, 1947, at 3 p.m.

Sale Conditions may be obtained and sale plan inspected at the Office of the Superintendent of Crown Lands and Surveys, Lower Albert Road.

PARTICULARS OF THE LOT

No. of Sale	Registry No.	Location	Boundaries	Area in sq. ft.	Annual Rental	Upset Price
1	New Kowloon Inland Lot No. 3501	Shan Ning Road between Tseung Kwan O Road and Pratas Street	As per sale plan	23,100	\$6.50	\$71,650

Immediately after the fall of the hammer, the purchaser shall according to the Conditions of Sale pay to the Auctioneer in cash the sum of \$6,950.00.

V. KENNIF, Director of Public Works.

Hong Kong, 28th February, 1947.

PUBLIC WORKS DEPARTMENT

It is hereby notified that the following Sale of Crown Land by Public Auction will be held at the Office of the Public Works Department on Monday, the 17th day of March, 1947, at 3 p.m.

Sale Conditions may be obtained and sale plan inspected at the Office of the Superintendent of Crown Lands and Surveys, Lower Albert Road.

PARTICULARS OF THE LOT

No. of Sale	Registry No.	Location	Boundaries	Area in sq. ft.	Annual Rental	Upset Price
2	New Kowloon Inland Lot No. 3502	Shan Ning Road between Pratas Street and Camp Street	As per sale plan	42,900 (about)	\$11.82	\$64,350

Immediately after the fall of the hammer, the purchaser shall according to the Conditions of Sale pay to the Auctioneer in cash the sum of \$12,870.00.

V. KENNIF, Director of Public Works.

Hong Kong, 28th February, 1947.

HONGKONG & SHANGHAI BANKING CORPORATION

ORDINARY YEARLY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ordinary Yearly General Meeting of the Shareholders of the Corporation will be held at the Head Office of the Corporation, 1 Queen's Road Central, Hongkong, on Friday, the 28th day of March, 1947, at 11.30 a.m. for the purpose of receiving and considering the reports of the Directors and of the Auditors and the Profit and Loss Account and Balance Sheet for the year ending 31st December, 1946, and for the election of Directors and the appointment of Auditors.

The Register of Shares of the Corporation will be closed from Monday, the 10th March to Friday the 28th March, 1947 (both days inclusive) during which period no transfer of shares can be registered.

By Order of the Board,

A. MORSE,
Chief Manager.

Hongkong, 20th Feb., 1947.

MEDICAL BOARD

WARNING NOTICE

The Medical Board of Hong Kong desires to bring to the notice of registered medical practitioners in Hong Kong that instances have come to their notice recently in which certificates, notifications, reports, etc., which registered medical practitioners are bound by law to give or may be, from time to time, called upon or requested to give, have been wrongly issued.

The Medical Board desire to warn registered medical practitioners that any such practitioner who shall be shown to have signed or given under his name and authority any such certificate, notification, report, or document of kindred character, which is untrue, misleading, or improper, is liable to have his name erased from the Medical Register.

F. S. BELWYN-CLARKE,
Chairman,
Medical Board.

Hong Kong, 12th March, 1947.

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Sealed tenders together with deposit of HK\$1000.00 each for the vessel will be received up to 10.00 a.m. on 22nd March 1947.

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BOOTS AND HER BUDDIES

Opinions Differ

By EDGAR MARTIN

ON DRIVEY PLEASE STOP CRYING!

WANK

SHAW! I'M NOT ABOUT ALL THIS THING YOU ARE!

AWANN!

QUICK!

I'M SORRY, BUT I'M DOING THE BEST I CAN!

HOW CAN WE SLEEP WITH ALL THAT FUSS?

ON PIPE DOWN! I'VE BEEN ORDERED TO TALK TO THE KID TALKING TO HIS DADDY!

WANN-NHI!

WHERE'S THE TEXAS HERE WE COME!



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INCOME TAX
AND THE BUDGET

The Financial Secretary's speech yesterday, introducing the Budget for 1947-48, provides a strong argument as to why those already advanced, for resisting the attempt to steam-roller Income Tax through Legislative Council. Twelve months ago, we challenged as unnecessarily pessimistic, the Financial Secretary's gloomy predictions of the financial outcome for 1946-47. In the result, the profoundest disturbing estimate of a deficit of \$110,000,000 amounts to no more than \$52,000,000, and when the final figure is produced, may very well be nearer \$40,000,000 than \$50,000,000. Mr. Folows presents an apparently legitimate excuse for this rather remarkable discrepancy. Conditions prevailing offered no standards comparable with those existing in 1947, which would permit of reasonably accurate estimates of 1946 revenue returns. The potential was calculated upon the safe side, and we can, therefore, congratulate ourselves upon the so much happier final result. This would be convincing, perhaps, did it contain anything genuinely new. In point of fact, the difference between expectation and realization is appreciably wider than is customarily to be expected, but that, in itself, does not invalidate the contention that the Financial Secretary is but following in a path of tradition, well worn, when he submits Estimates on consciously conservative lines, confident that if in the event he is proved wrong, his mistake will be on the right side of the ledger. In general, it is a method of procedure not easily to be condemned. When, however, there develops a threat like the present, of forcing a species of Income Tax upon the community against the solid opposition of the thinking section of that community, it is right and proper that it should be subjected to a closer scrutiny. The estimated ordinary expenditure for the coming financial year is \$109,488,433 and the anticipated revenue, inclusive of an assumed yield of \$16,000,000 from Income Tax, is \$100,849,750. In considering these figures, which again are worthy of comparison with those prophesied by our experts twelve months ago, it has to be remembered that substantial amounts have been provided to meet contingencies which may never arise, and that due allowance needs to be made for the habit of conservatism in the official approach to estimates of revenue. When, hearing these two factors in mind, Government says frankly that the probable margin between revenue and expenditure, without Income Tax, would be less than \$16,000,000 assuming all the charges provided for in the Budget have, actually to be met, and the usually well-founded confidence that Revenue yields will turn out to be higher than estimated is falsified, Government's case for insisting upon the necessity for Income Tax is astoundingly weak. The amount involved, relatively, is so small that there must inevitably come an intensification of the demand that Government explore the ground more thoroughly, and seek out alternative and more equitable sources of revenue before embarking, inopportunistically, upon direct taxation. Admission that new taxes must be accepted as part of the price Hong Kong must pay for being in the path of Japan when she closes the path of aggression has always been based upon the premise that an enormous gap must exist between Revenue and Expenditure. Even the bitterest opponents of direct taxation, took it for granted that, in reviving the Income Tax threat, Government must be looking for between \$30,000,000 and \$40,000,000 of new revenue. A possible deficit of \$16,000,000 (which on past experience will almost certainly be less) can surely be met without the introduction of a measure so completely devoid of the essential elements of equity and reasonableness.

China is facing her most serious crisis today. This is true when speaking both of the nation as a whole, and of the ruling party, the Kuomintang. We should not shut our eyes to this crisis or refuse to undertake treatment for it. We should calmly and objectively diagnose the disease and find means to save the patient, based on factual data.

Politically, this crisis expresses itself by the fact that peace and unification have not realized after the convention of the National Assembly and promulgation of the constitutional law. A more terrible split was created precipitating large scale civil war. Bribery and corruption are still more rampant, while administrative efficiency continues to deteriorate.

At present the Government is harping on reorganization. But it can only attract the Chinese Youth Party, the Democratic Socialist Party and the so-called enlightened men of the community who attended the National Assembly to join the Government. The Chinese Communist Party, the Chinese Democratic League and other democratic people are still barred from joining. This so-called reorganized government is just the old dose in changed colour. It can give no help towards the attainment of peace and unification and still less is it able to solve practical problems.

An unbridled economic crisis broke out as a result of the gravest of the political crisis and the prolongation and extension of the civil war. We are witnessing the bankruptcy of Chinese rural economy, national industry driven to the edge of bankruptcy, malignant inflation completely out of control, and exorbitant taxes increasing daily with the people unable to bear the burden.

If this situation continues in draining the pond to catch the fish, then the entire community must head for the path leading to total collapse.

Since China herself cannot solve her own problems while civil war rages throughout the country, world peace is bound to be affected and China will disgrace herself in the eyes of her foreign friends. Furthermore, the international position of China is much lowered because China has no independent foreign policy. She secures the help of American reactionaries in waging civil war, and makes use of their anti-Soviet-phobia.

Who Is Responsible?

It is recalled that at the time of the anti-Japanese war, China was much respected abroad because there was internal unity and because all forces in China were united against her alien enemy. Thus China became one of the five

By MARSHAL
LI CHAI-SUM

(Specially Contributed)

world powers. On the conclusion of the war however, civil strife broke out in China throwing the country into great confusion. The international position of China's prestige thereby dropped tremendously and the danger of foreign intervention was ever present. It is painful to ask, who is responsible for all this?

I am a member of the Kuomintang. Our party has ruled the country for twenty years and should bear considerable responsibility for bringing the country to this present situation. According to the dictates of reason, the KMT should undergo a self-examination, apologize to the whole nation, appoint capable and honest men to Government posts and give place to those more able to govern.

The Kuomintang was originally a revolutionary political party. The Three People's Principles left us by Dr. Sun Yat-sen are the doctrine of national salvation based on democratic principles. This was completely forgotten or abandoned by the Kuomintang ever since it took the reins of Government in 1928. Since then, it has gradually become divorced from the people and is now under the control of dictatorial and tyrannical forces. It has thus lost completely its revolutionary party spirit. Instead of serving the people it has become a party enslaving the people. There is not a grain of democracy inside the party.

"Torn-Up"

Because the Kuomintang was under the control of dictatorial forces, disobeying Dr. Sun's teachings, abandoning the Three People's Principles, oppressing the people of the entire nation as well as democratic parties and groups, adopting a policy of harsh exploitation towards the broad masses of the people and thereby causing nationwide discontent, so the Political Consultative Council was convened in January of last year under its auspices and five resolutions were passed.

However, these resolutions were torn up by its own hands shortly afterwards. Thus, peace, unification and democratic national reconstruction which should have been realized, have not been realized, and the civil war tragedy which ought to have been avoided, is being played out act by act.

Such an unfortunate situation was brought about by the Chinese reactionaries who violated Dr. Sun's teachings, and by American reactionaries who acted contrary to Roosevelt's policy in their making

use of each other and plotting together. Chairman Chiang Kai-shek is really the leader of the former. He is perfectly just and fair. Chairman Chiang ought to be made responsible for having brought China to her present plight. This is not because anyone has any personal grudge against him, nor is it the subjective criticism of the minority, but is the inevitable conclusion drawn from objective logic.

"Ineffective"

Personally, I have gone through thick and thin with Chairman Chiang and we are good friends in private life. Ever since the outbreak of Sino-Japanese war, I have time and again offered him sound advice both orally and in writing, eagerly hoping that our party would amend her erroneous policy. But all attempts have proved ineffective.

At present, when the crisis facing China has become more grave, anyone who has a sense of duty should bravely stand forward and voice his opinion. At the same time, since the crisis facing the Kuomintang has also deepened, every party member who believes in Dr. Sun's teachings should unconsciously rise up calling for the reform of this erroneous policy of the Party's reactionaries.

He should not passively and submissively allow it to bring calamity to the whole nation, until the bitter end.

Seven Points

I raise the following points for helping China out of her present situation:

(1) The Government must abandon her policy of unification by armed force, and immediately withdraw her troops to positions occupied as on January 13, 1946. This is to show its sincerity in putting an end to civil war. It should at the same time stop impressment and forced food levy so as to guarantee internal peace. In order to prevent civil war, it must greatly reduce the standing army and send demobilized army-men home to engage in afforestation and cultivation or other productive activity.

(2) The Political Consultative Council should be re-convened, the various departments of the present government reorganized, a coalition government immediately formed, Chang Hsueh-liang, Yang Hu-cheng, Fei Kung and all political prisoners immediately set free, the gestapo abolished, freedom of speech granted, and freedom of the individual substantially guaranteed.

(3) After the establishment of a democratic coalition Government, a National Assembly should be re-convened with representatives of the people participating, and based on democratic principles through universal suffrage, a constitution which can really reflect the public opinion of the entire nation should be drawn up.

(4) Following Dr. Sun's teachings on Nationalism, China's national sovereignty should be safeguarded, all unequal treaties annulled, an independent and self-determined foreign policy adopted, foreign intervention of Chinese internal affairs opposed, all foreign troops stationed in China withdrawn and patriotic movements protected.

(5) After the cessation of civil war and the realization of peace, troops and Government employees should be immediately reduced, the volume of paper currency in circulation reduced, and the cause of price skyrocketing removed, so as to stabilize the people's livelihood.

Revolutionary Spirit

(6) Protect national economy, abolish bureaucratic capital, set up a protective tariff, grant relief to peasants, unemployed workers, refugees, wounded soldiers, orphans, Government employees and overseas Chinese, and mobilize the entire force of the nation for reconstructive work.

(7) Revive Dr. Sun's revolutionary spirit, reform the Kuomintang, re-elect its various leading organs, abolish dictatorship inside the party, cultivate democratic methods, separate the army from the party and guarantee cooperation with all democratic parties and groups for national reconstruction. The points mentioned above are the products of careful consideration and wide discussion. They comprise a programme which is comparatively more convenient to be carried out. I hope members of our party both in and out of power, all friends of democratic parties and groups, and patriots in China and abroad, will exert collective pressure and form a united front in that demand for the realization of this programme.

PRIEST SENT INTO EXILE

Joliet, Ill., Mar. 12. A Greek priest, Rev. Joseph Feski, was exiled indefinitely to the Trappist monastery near Louisville, Kentucky, by Bishop Daniel Iwancho of Pittsburgh for allegedly obtaining \$1,000 under false pretences from members of his congregation here.

The court consulted the Bishop and then freed Feski after the Bishop decreed that the priest must spend an indefinite period of repentance in the monastery. United Press.



"You can't get around me with your sweet words, Mulligan—besides, they don't become you!"

Gunther Stein On
China's Problems

New York, Mar. 13. A dark view of China's chances of weathering the economic crisis is taken by Gunther Stein writing in a current issue of the Far Eastern Survey.

Stein is a former Christian Science Monitor correspondent in China and author of several books including "Made in Japan" and "The Challenge of Red China."

The Eastern Survey is a publication of the American Council, Institute of Pacific Relations. Stein says Generalissimo Chiang Kai-shek's attempts to meet the crisis are superficial and only basic reforms can cure China's ills.

Stein concludes "to survive the economic crisis, the Kuomintang Government would have to win at both fronts (military and political) within a short time, nothing can help but the grant of genuine reforms to the people, without them there will be that long dreaded economic collapse."

of the cities. For President Chiang Kai-shek's attitude strangles their normal trade with the hinterland on which their existence depends. That economic collapse would see the final downfall of the Kuomintang Government, caused by its inability to make the villagers supply its cities and its armies."

Stein observes "President Chiang Kai-shek has outlawed China's economic crisis by decreases, practically by turning over direction of national economy to the police. This is the meaning of the Generalissimo's programme of economic emergency measures adopted by the supreme national defense council on February 6."

"Most of the measures adhere to the familiar pattern of action brought forward approximately once a year during the war, whenever the economic crisis reached a new pitch."

In Chungking, as now in Nanking, the steady rise in prices periodically assumed alarming proportions. The clamour for Government action grew with political unrest. Fundamentally, it was always as it is today, the clamour for basic economic, through basic political reform.

"The needs were as clear before and during the war as they are now."

Stein lists four essentials to rescue China from its continual economic crisis.

First, "A nationwide land tenancy reform coupled with encouragement of improved methods of cultivation and village-wide cooperation to stimulate and enable farmers to greater production."

Fourth, "Drastic changes among the National Government's top personnel are necessary to pave the way for a nationwide coalition of all political camps. Fountainheads of corrupt Government practices, anti-democratic attitudes must be removed."

Stein said "each acute economic crisis had brought forward demands for democratic reforms... each time, however, President Chiang Kai-shek responded as he did on February 16". He says President Chiang's emergency programme fail to touch the problems of China's rural economy which involves over 80 per cent of the population.

"The real issue of Chinese economics and politics, complete but untouched by the emergency programme remains that of basic economic reform."

In numerous specific instances the Communists have carried out successfully vital reforms in the territories under their control.

"Such reforms are suitable for any part of China... it is with this tested reform programme that Communism is spearheaded, but to a large extent no Communist opposition faces President Chiang Kai-shek to test his emergency programme in the present struggle."

"The outcome will decide the course of China's political crisis by deciding its political future."—Associated Press.

French
Minister
Recalled

Paris, Mar. 12. The French Government has recalled its Minister to Bulgaria, M. Jacques Emile Paris.

This follows the despatch of an official protest to the Bulgarian Government against the "disgraceful behaviour" of Bulgarian militiamen towards members of the French and other Diplomatic Corps, the French Foreign Office announces.

It was officially learned that Paris has protested to the Bulgarian Government over the rough treatment said to have been received by Madame Bouef, Bulgarian-born wife of a Frenchman and correspondent in Sofia of the French news agency, Agence France Presse. He asked that severe action be taken against the persons responsible for the acts.

The Agence France Presse alleged today that on March 9, Bulgarian militiamen "slapped" Madame Bouef in the face while taking her into custody for alleged violation of the Bulgarian Government's announcement of March 7, calling in the existing banknote issue.

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GOVT. WINS CONFIDENCE VOTE

Mr. Churchill On Top Of His Form

No Coalition, Says Mr. Greenwood

PEARL HARBOUR STILL NOT READY

Honolulu, Mar. 12.
Pearl Harbour and other installations here would be wiped out if an enemy air force struck today, wrote a military reporter in today's Honolulu "Advertiser."

Just back from viewing the Army and Navy war games, the reporter said Hawaii's defences are weaker than they were when a Japanese carrier plane force struck on December 7th, 1941.

He said Army, Navy and Marine officers who requested that their names not be used told him that the islands have insufficient equipment and men to halt a strong attack.

The entire fighter plane strength in Hawaii islands today is less than 75, of which 30 are outmoded P-47s of the Seventh Air Force. The rest are Navy and Marine fighters, many of them not equipped with radar for nightfighting, he wrote.

The military reporter said the total number of bombers is less than 30. The Seventh AAF has no bombers except B-17s equipped only for rescue operations. No army field is set up to handle B-29s.

He said the ground defences include less than ten major radar installations and half of them do not normally operate because of the lack of trained personnel. Two anti-aircraft battalions function but one searchlight outfit is inoperative.—United Press.

London, Mar. 12.
The Labour Government tonight weathered by an overwhelming margin its most severe Parliamentary attack, defeating Mr. Winston Churchill's motion of no confidence by 374 votes to 198.

At the end of three days' debating, the House adopted the Government's White Paper plans for dealing with Britain's direct economic crisis since the industrial revolution. The vote was taken immediately after Mr. Churchill's manoeuvre had been defeated 371-204.

There was a minor upset in the results of the division in that Mr. Clement Davies and 12 Liberal members of the House did not vote on Mr. Churchill's no confidence motion, which was an amendment to the Government motion. The Liberals had been expected to vote solidly with the Tories as they did on the second division, voting with Mr. Churchill's forces against the Government plans.

The Liberals explained privately that they abstained from voting on the Churchillian motion because the Conservatives if in power, would not adopt the measures which the Liberals believed necessary to save the country.

It was the second time in the 20-month life of Prime Minister Attlee's Government that Labour has had more than 200 votes cast against it. That opposition figure was reached also late last year on the vote for the transport nationalization bill. Labour holds 394 seats in the House and the Conservatives 197.

Acrimonious Debate

The double division came at the end of a day of acrimonious debate, highlighted by Mr. W. Churchill's castigation of the Government with his best invective, at the top of his wartime oratorical form.

Mr. Churchill said that said stocks contrary to statements by Sir Stafford Cripps, were higher in the winter of 1944 than they were in 1939, but charged that in April 1946 they were down to less than 7,000,000 tons when a "little ordinary foresight and a little planning" were necessary.

He said Britain had 460,000 more civil servants than before the war, at a cost of £50,000,000 a year.

"Wormwood Scrubbs"
"The Socialist ideal is to reduce us to one vast Wormwood Scrubbs," he said. "Of course it is true that at Wormwood Scrubbs there is one official to

every four prisoners, whereas we have only one official to look after every eight wage earners or producers!"
Time and again Mr. Churchill rose to the height of his oratory. He was merciless in his personal attacks against Cabinet Ministers seated opposite him, singling out Mr. Attlee, Mr. Alexander, Sir Stafford Cripps and Mr. Dalton—each of whom at times was visibly embarrassed.

"Class Warfare"
"In their class warfare," he cried, "Government have no right to appeal to the spirit of Dunkirk."

He continued: "The first object of Government's planning should be to liberate and encourage the national native energies and genius of our race. The second stage is to guide and aid all the forces of these native energies to generate into the right channel."

Mr. Churchill then reached the point of his speech.

"We regard Government's continuance in office as a growing national disaster!"
He went on: "Either the country must go down in a measureless crash or the Government must drop its Socialist legislation by freeing industry and enterprise from the trammels in which they have been entangled and the sense of national unity restored at the earliest stage. That is the choice upon which our fate depends."

The Conservative benches cheered loudly when Mr. Churchill said: "We do not aspire to coalition. We do not grudge the Ministers their offices and certainly not their careers. Nonetheless, we must earnestly hope the Prime Minister and his principal colleagues will take the right turning at this grave moment in British history."

Two Convictions

"I have two convictions in my heart:—One is that somehow or other we shall survive, although for a time on a lower level than hitherto. The second is that things are going to get worse before they get better."
Cheers continued for several minutes after Mr. Churchill sat down. The war leader spoke for about an hour and 20 minutes to one of the most crowded Houses in several weeks. At first there were supporting and Opposition jeers

and cheers, but for the most part Mr. Churchill was heard in pin-drop silence. As he castigated the Cabinet Ministers present, he glared at them and shook his finger like a scolding housewife.—United Press.

Brilliant, But Not Convincing

Mr. Arthur Greenwood, Lord Privy Seal, described Mr. Churchill's speech as a very brilliant Parliamentary performance but most unconvincing. The amendment was intended by Mr. Churchill as a vote of censure on the Government.

The leader of the Opposition was trying to rally his supporters in their common hatred of the Labour Party, he continued. At the end of his speech, Mr. Churchill had stated that he did not want a coalition. "So far as we are concerned he is not going to get one."

"No"

Would the miners, railway workers and other transport workers have responded with such superhuman efforts to an appeal by Mr. Churchill in peacetime, Mr. Greenwood asked. The answer was "No."

Mr. Churchill's history was not such that the common people of Britain would have trusted him in peacetime, he said.
Referring to Mr. Churchill's charge of class warfare, Mr. Greenwood said that the Conservatives had started it. "They mean as far as they can to prevent our programme being put on the Statute Book. I assure them they are not going to do it. The Labour Party stands solid. We shall play the Parliamentary game fair. We shall not be deflected from our purpose," Mr. Greenwood said.—Reuter.

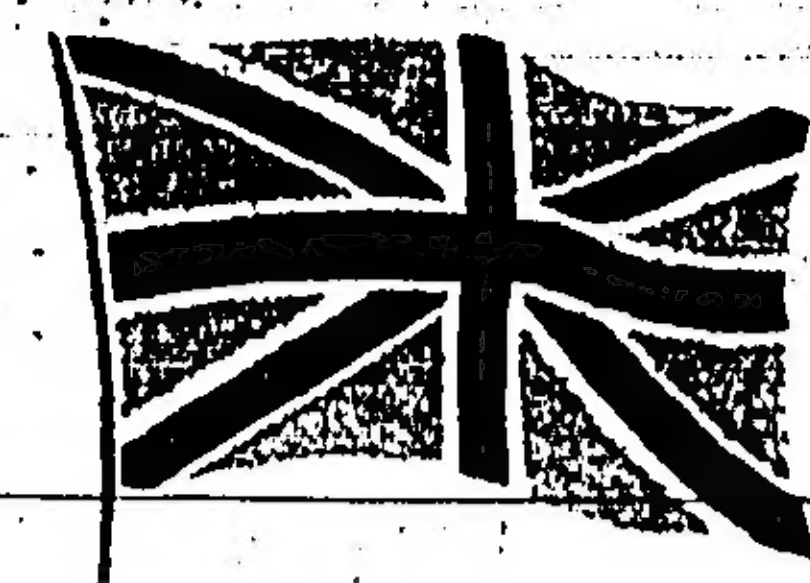
Cyprus To Stay As It Is

London, Mar. 12.
The Secretary for Colonies, Mr. Creech-Jones, was cheered when he told the House of Commons today that no change in the status of Cyprus was contemplated by the British Government.

He had reminded the delegation from Cyprus of this decision. In the interview he had accorded to the delegation which presented a memorandum on the subject of a union of Cyprus with Greece, he alluded further to the economic and social development programme involving substantial assistance from United Kingdom funds and plans for the introduction of a more liberal constitution.
"I expressed the hope of the British Government that the people of Cyprus would play their part in these beneficial developments," he said.—Reuter.

Aquitania For Aussie Immigrants

London, Mar. 13.
The Australian High Commissioner's office said today that an official announcement will be made in Canberra "in a few days" on negotiations to charter the 44,766-ton liner "Aquitania" to carry British immigrants to the Dominion.
Upwards of 200,000 Britons have registered for new homes in Australia. In a special plan to go into operation on March 31, the spokesman said:
"A vanguard of about 400 building workers already has made the journey.—Associated Press.



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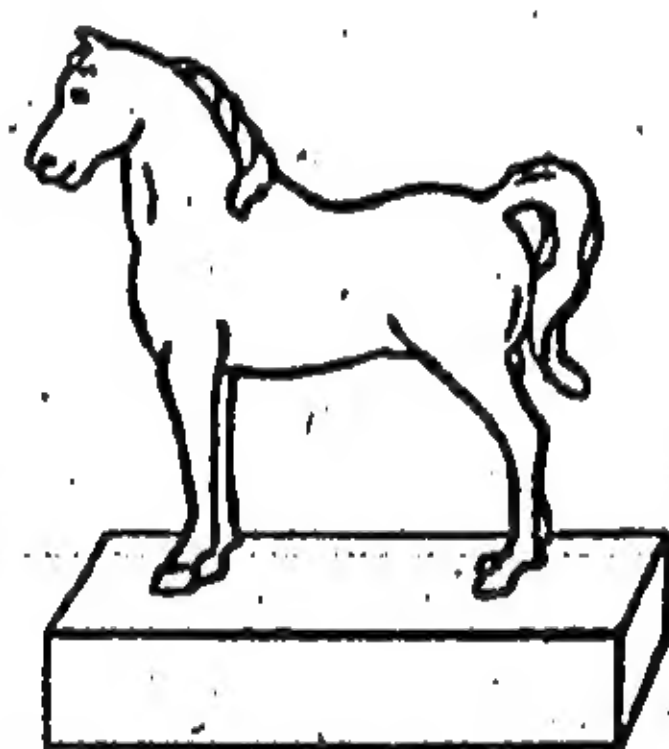
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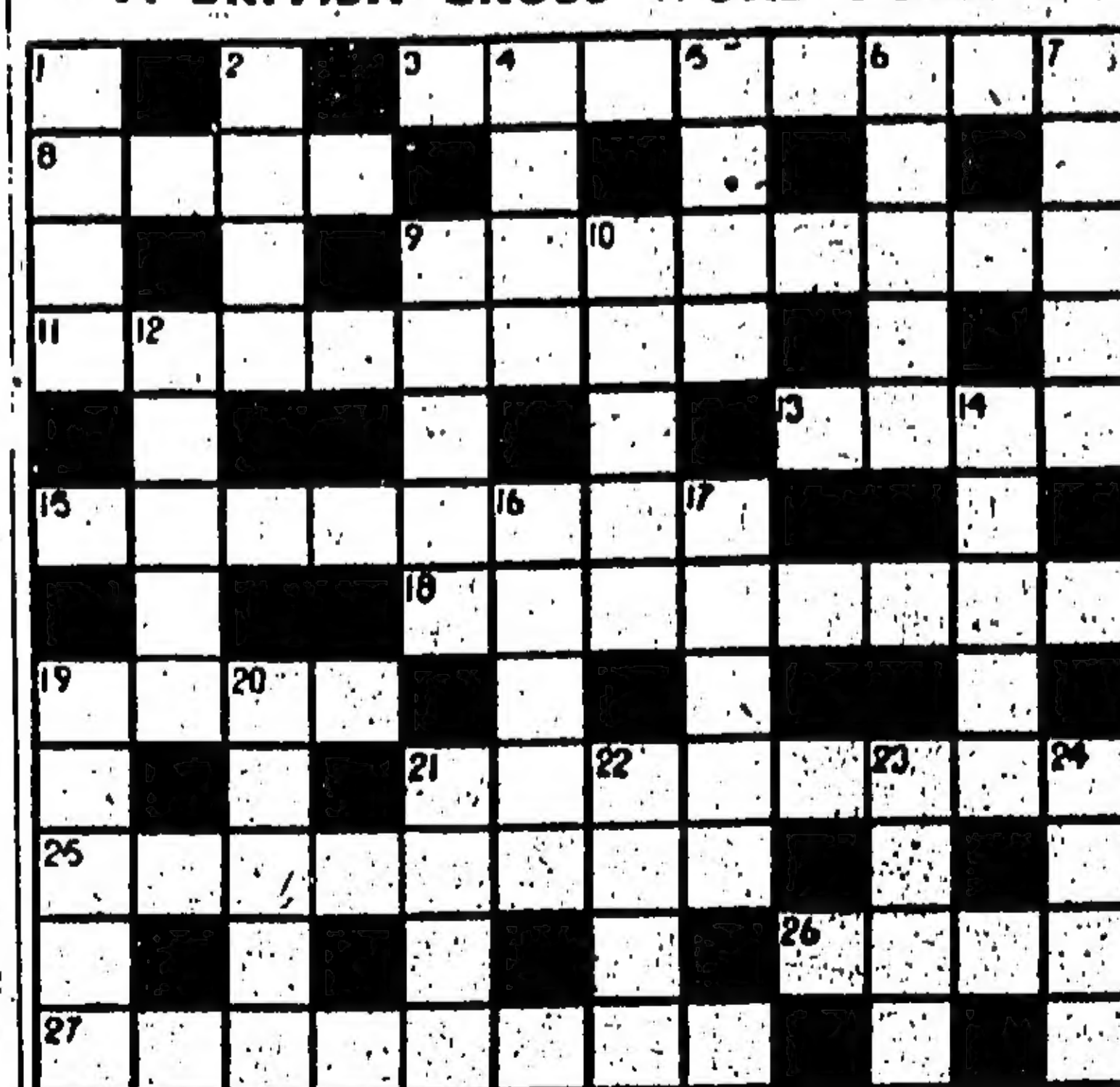
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Clues Across

3. Cramming
8. Raucous
9. Complete
11. Assess
13. Incline
15. Not fit to eat
18. Abstaining
19. Duplicate
21. Portrayed
23. Lipstick
25. For example
26. Meditate
27. Walked feebly

Clues Down

1. Merriment
2. Short and sharp
4. Musical instrument
5. Mass of float-ice
6. Accustom
7. Harvest
9. Course
10. Not fresh
12. Muscle
14. Conscious of
16. Headress
17. Moral
19. Implied
20. Inscription
21. Valley
22. Tube
23. Tight
24. Profound

Yesterday's Crossword

ACROSS:—1. Alley; 4. Brawl; 7. Particle; 8. Elite; 9. Lord; 11. Erected; 13. Repulse; 15. Sunday; 18. Larks; 19. Simulate; 20. Heron; 21. Singed.

DOWN:—1. Apple; 2. Acted; 3. Secure; 4. Breeze; 5. Admitted; 6. Legend; 10. Reporter; 12. Rejoice; 13. Rellik; 14. Lesson; 16. Nylon; 17. Gild.

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RUSSIA HUNTS FOR SECRET OF COSMIC DEATH RAYS

Moscow Recalls Envoys

London, Mar. 13.
Russian diplomatic sources disclose that Georgi Zarubin, Soviet Ambassador to Britain, left suddenly for Moscow early today.
They say the ambassador's return to Moscow is "for consultations in connection with the Foreign Ministers' conference." He left London by train.
The Russian Embassy in Washington advised the United States Department yesterday that the Soviet Ambassador to the United States, Nikolai V. Novikov, would leave on Thursday for Moscow.
Russian sources in London said Zarubin, who assumed the ambassadorship in January, is "no particular expert" on German affairs, subjects of the Big Four talks in Moscow. Therefore, they said, it could be assumed his consultations with Molotov would be "strictly routine."
They said the British Government was informed of Zarubin's intention to leave.—Associated Press.

Amsterdam, Mar. 12.
The Soviet Union has cracked the secret of controlling atomic energy, manufactured its own atomic bombs and is now concentrating its research on the international race for control of an even deadlier weapon—cosmic death rays. These allegations are contained in an article published by the "De Volkskrant," organ of the powerful Netherlands National Catholic Party and leading Dutch Conservative newspaper.

An independent investigation among the best informed sources available in Europe has substantiated in most particulars this story, which also alleges—
Firstly, that Soviet scientists have constructed atomic bombs four times heavier than the bomb the Americans dropped at Bikini, although not necessarily any deadlier.
Secondly, through espionage learned of the mistakes made by the Americans in their pioneering work at Oak Ridge. Ten new bomb experiments are now forced entirely on splitting the plutonium atom instead of the uranium isotope.
Thirdly, their top secret atomic energy plant is located in the Lake Baikal area of Eastern Siberia, in the midst of the central Mongolian desert.
Fourthly, thousands of German nuclear physicists and other scientists, specialists and technicians, forced as paid slave labour to serve the Kremlin, are employed on their atomic project, which is said to dwarf the American atomic plant at Oak Ridge.
Fifthly, last April 300 persons were killed at Atomgrad, closely guarded centre of research on the northern shore of Lake Baikal, when an accidental chain reaction released deadly radioactive rays, which penetrated steel and concrete and, even, underground.

Cosmic Rays
Sixthly, even more closely guarded secret than their atomic energy experiments is the Soviet research into radioactive possibilities of the powerful and mysterious cosmic rays going on at the research centre in the Palearctic area of central Asia and in the high Himalayan mountains.
Experts consulted on the "De Volkskrant" story noted what they called the minor errors of fact in the known knowledge of Soviet atomic and cosmic ray experimentation. They verified, however, that in its essentials and most of details, the story was accurate, with one exception, the point as to whether the Soviet have actually manufactured a bomb.—Reuter.

Turkey Must Have U.S. Aid

Istanbul, Mar. 13.
Qualified informants say that Turkey must have American financial aid if she is to keep her army of nearly 1,000,000 men fully mobilized as a barrier against any possible Russian encroachment.
Turkey has been in full mobilization status for seven years. More than 60 per cent of her national income goes toward the maintenance of the army.
Most of the army guards the Turkish-Russian border, east of the Black Sea, and the Turkish-Bulgarian frontier.
The Turks say the cost is so heavy and such a drain upon the nation's fiscal resources that her whole economic structure is in jeopardy.
The Turkish army admittedly is not well equipped.
One Government spokesman commented: "A weak Turkey could only invite trouble. It would be more farsighted and much less costly in the long run to help her today than have to try to rescue her on some later day."—Associated Press.

New York Exchanges

New York, Mar. 12.
American A.C. 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AN UNPLEASANT MATCH

Memorial Cup Game Threat Of Incidents

(By "Nimrod")
Red-capped Military Police went into action yesterday at Causeway Bay where indignant spectators invaded the pitch and later staged "after-the-match" demonstrations throughout the surrounding area. On paper, one of the most attractive games of the season, the Memorial Cup Final between the Army and the Combined Chinese was rendered a farce by a series of incidents in the second half.

The Army won by three clear goals but all interest in the result faded away during the last thirty minutes. Controversy centred round the referee, Capt. England, whose decisions rendered him most unpopular amongst the Chinese section of the crowd and who was forced to hold up the game for ten minutes when spectators refused to obey his instructions.

Rarely can it be said with more justice and truth that everyone has a right to feel relief when a match ends. If sportsmanship has come to this state in the Colony, then football games should never be played. It is true that the ill-feeling came into the game when the Army had taken the lead but there is no doubt whatsoever that it was not only the Chinese who were to blame.

The Cup was presented after the game by the GOC to Lt. Patterson, skipper of the Army side, and miniature cups were given to the Army players. Only five Chinese players attended the final ceremony and throughout there was a marked tension in the atmosphere with intermittent throwings of various articles.

Powell Again
From the first half, no one could have foreseen such a dramatic change that was to come in the final session. It was a well-fought, exciting half with Powell literally saving the Army time and time again. On the run of the play, the Army could not have begrudged a two-goal deficit.

The first serious Army attack concluded with Pemberton leading narrowly over the bar with the goal-keeper out of position. Yet, except for a nervous breakdown, the Chinese defence held the Army attack in check and their forwards did everything except score. For the best part of thirty minutes it was Powell, Powell and Powell. One was left with the impression that the "local Frank Swift" is as big an attraction amongst the Chinese crowd as their own team.

Shiu-wing, the Army skipper, appeared to be mending as Yui Kien-sun collected the ball. Charged by an Army forward, he lost possession and the ball entered the net—the referee awarding a goal much to the annoyance of the Chinese team and supporters. Then followed the second incident. Iku King-ling brought Pemberton down badly, the referee immediately took his name and the Chinese centre-half left the field on his own account. From then on, it was one cautioning after another. Hai Yung-sang was cautioned for a foul on Pemberton and the winger was himself warned less than a minute later. Both teams were allowing ill-feeling to render the game a complete farce and the Chinese "ten men" made little effort to put the game out of the fire. Only forward to attempt to do so was Lai Shiu-wing who sent in a terrific shot which was deflected by Powell over the bar although the goalie knew very little about it. Finally Ford scored again to make the full-time score 3-0.

Military Police prevented any serious demonstration when the cup was presented by the GOC to the winning side. Sympathies must rest with Lai Shiu-wing, given the honour of captaining the Combined Chinese team. No captain could have controlled his team in such circumstances and he was one of the few players that kept his temper. In checking one of the six Chinese players at the presentation, full credit must be given to him for this "unpopular" action for there can be no doubt that he deplored this ill-tempered feeling on both sides as much as anyone.

Thrill After Thrill
The Army breathed again as Powell threw himself at the feet of Lai Shiu-wing and watched his colleagues and rebound narrowly wide of an open goal. Thrill followed thrill as the persistent attacks were beaten off and it seemed that Army defence must win. A mistake by Dear led Chau Man-ent into radius of goal but Powell dived full-length to divert his shot.

The second half opened in real cup-tie spirit with play swinging

Threat Of Soccer Strike

London, Mar. 12.
The Ministry of Labour has agreed to the request of the Players' Union for arbitration on the wages dispute with the Football League. But there is still the threat of a soccer strike.

James Fay, the Union Secretary, says the Ministry gives no date for the arbitration to start.

"I am pressing for a definite date because I understand we may have to queue up before our case goes before the tribunal," he added.

"We have given notice of our intention to strike if arbitration is not in progress by March 21st. The players would wait three or four days longer than that now that arbitration is agreed, but would not stand for an indefinite delay," Fay stated.

He had, he stated, received an assurance from the Ministry that the players' case will be considered as quickly as possible in the Department by other officials.

The plea to the Government to allow evening matches until double-shift working becomes general may be one of the results of the ban on mid-week matches.

"As it may be several weeks before the double-shift work is adopted there seems to be no reason why evening kick-offs should not be allowed," said a professional club manager to-day.

"This interim period of playing would avoid a fiasco in the league tournament."

Merseyside sportsmen will be forced on Saturday, March 29, with the alternative of going either to the Grand National or the F.A. Cup semi-final at Blackburn. Rearrangement of the Grand National would involve reorganising thousands of tickets involving tremendous reorganisation.—Reuter.

Beautiful Goal
A centre from the left wing found the Chinese right winger in position and he headed the ball down towards the undefended corner of the net, well out of any reach. He watched with dismay as the ball struck the upright and was scrambled clear. The luck of the gods was definitely not on the Chinese side especially as the Army took the lead directly from the clearance—the first Army attack for ten minutes.

The goal, however, was a beautiful one. Turning round on the penalty spot, Ford drove the ball well and truly into the corner of the net.

Immediately afterwards, the Army again attacked but no danger appeared to be pending as Yui Kien-sun collected the ball. Charged by an Army forward, he lost possession and the ball entered the net—the referee awarding a goal much to the annoyance of the Chinese team and supporters.

Then followed the second incident. Iku King-ling brought Pemberton down badly, the referee immediately took his name and the Chinese centre-half left the field on his own account. From then on, it was one cautioning after another. Hai Yung-sang was cautioned for a foul on Pemberton and the winger was himself warned less than a minute later. Both teams were allowing ill-feeling to render the game a complete farce and the Chinese "ten men" made little effort to put the game out of the fire. Only forward to attempt to do so was Lai Shiu-wing who sent in a terrific shot which was deflected by Powell over the bar although the goalie knew very little about it. Finally Ford scored again to make the full-time score 3-0.

Military Police prevented any serious demonstration when the cup was presented by the GOC to the winning side. Sympathies must rest with Lai Shiu-wing, given the honour of captaining the Combined Chinese team. No captain could have controlled his team in such circumstances and he was one of the few players that kept his temper. In checking one of the six Chinese players at the presentation, full credit must be given to him for this "unpopular" action for there can be no doubt that he deplored this ill-tempered feeling on both sides as much as anyone.

Thrill After Thrill
The Army breathed again as Powell threw himself at the feet of Lai Shiu-wing and watched his colleagues and rebound narrowly wide of an open goal. Thrill followed thrill as the persistent attacks were beaten off and it seemed that Army defence must win. A mistake by Dear led Chau Man-ent into radius of goal but Powell dived full-length to divert his shot.

The second half opened in real cup-tie spirit with play swinging

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NEW INSTALMENT

Washington, Mar. 13.
The Treasury reported today that Britain has drawn another \$200,000,000 from her \$1,750,000,000 loan. One effect of the withdrawal was to drop the United States Government's operating surplus below the \$1,000,000,000 mark for the first time in weeks.—Associated Press.

Louis' Next Fight

New York, Mar. 12.
A unprecedented guarantee of \$200,000 will be offered to Joe Louis to defend the world heavyweight title against left-handed Melio Bettina of Beacon, New York, his manager, Jimmy Grippo, announced today.

Louis recently expressed preference for a summer fight should he defend his title against the winner of the London fight between Joe Bakshi and Bruce Woodcock. Due to the British Government's ruling against midweek sports, the latter fight has been delayed to mid-April.

Joe Strauss, acting head of the 20th Century Club in Miko Jacobs' absence, said it is now not certain that Louis will defend his title in June and may decide to wait until September "for lack of capable opposition."

Meanwhile, Strauss may ask Bettina to earn a way to the title fight by matching the new Cleveland sensation, Ezzard Charles. Bettina, out of the Army after four years of service, won five straight victories, now appear at the peak of his career at 190 lb. Grippo said backers providing \$200,000 are his brother Hollywood producer, Jap Grippo, and the Miami sportsman, Dr. James McCormick, adding that "I never would prevail on my dearest friends to put up such money unless I am convinced that Bettina has a chance."

YESTERDAY'S TENNIS RESULTS
The following were yesterday's tennis results:
L. H. D. Rumjahn and Barnett Duakin combined walk-overs to T. F. Choy and Tsui Wai-pui respectively.

The following is today's tennis programme:
J. A. Furrer v. B. Szeto.
Yip Koon-hong v. L. Wilson.
Ho Kau-lau v. B. T. McC. Jones.

Cullen, "because of the serious outbreak of foot and mouth disease in the United Kingdom," Reuter.

LAND FORCES XI
The following have been selected to play for Land Forces against R.A.F. at Cox's path, on Sunday, at 11 a.m.:
Lieut. Phelps (Capt), Capt. Saunders, Capt. Gorley, Capt. Russell, Capt. Cole, Lieut. Sutcliffe, QMS, Andrews, L/Cpl. Wellings, L/Cpl. Tierney, Sign. Kennedy, Gnr. Tuff.

Will anyone unable to play, please contact Lieut. Phelps, Tel. 3421-Ext. 156, before 12 a.m. today.

Transport will leave Star Ferry, Kowloon at 10.30 a.m.

Wellington, Mar. 12.
Restrictions on the direct importation into New Zealand of livestock from Britain are to be abolished, Premier Peter Fraser, announced here today. The embargo was introduced in 1924, according to the Minister of Agriculture, Mr. Edward I.

Solicitor's Clerk In Witness Box
The hearing of the case against Lo Tse-leung, 36, solicitor's clerk, charged with obtaining \$5,000 by false pretences from Li Fong, on Jan. 27, was resumed before Mr. Sainsbury at Central yesterday.

Mr. F.W. Shafton of the Special Branch conducted the prosecution, while Mr. C. Loeby, instructed by Mr. P.L. Lam was for the defence.

Defendant was alleged to have obtained \$5,000 from the complainant, by pretending that the money was used to bribe officials of the Import and Export Department to release 100 Mexican gold coins.

Defendants went into the witness box and said that he had been a solicitor's clerk since 1930. In January, Li and another man named Woo visited him at his office, and told him that a consignment of gold had been seized by the Import and Export Department.

He told Li not to worry and advised Li to claim the gold, and he would prevent the case from going to Court. He was confident the matter

could be settled as he remembered that there had been a case in Kowloon Court previously where the magistrate granted the release of gold.

Li also told him that if the gold was released, Li would give him a present of \$5,000. The gold was returned and at the Canadian Cafe he was given 10 pieces of gold as security for the \$5,000 as Li had not enough cash.

Later the same day he was told to meet at the same cafe where he was told by Woo that a man named Chan Pak-shun had already promised an official in the I. & E. department a present of \$5,000. Woo demanded that he return the sum of \$5,000.

After hearing further evidence, the case was adjourned until March 15, at 2.30 p.m.

Commons Queries On H.K.

London, Mar. 13.
Three questions about Hong Kong were answered in the House of Commons today. First, Mr. Creech-Jones, Colonial Secretary, said that the increase in population in Hong Kong in 1946 was estimated at between half a million and 600,000 and that the monthly rate of immigration this year was estimated at 10,000.

He told another questioner that from the liberation of the territory in September, 1945 up to the date of the re-establishment of civil Government, on May 1, 1946, the British Government advanced \$1,145,000 in respect of expenditure chargeable to Hong Kong Government funds in addition to meeting the net cost of the military administration.

It was estimated that the British Government would require to make further advances totalling approximately \$1,200,000 during the current financial year.

He then replied to a question about Auxiliary Nursing Sisters. He said: "Three months' salary is the minimum amount paid to women members of the civil defence services in Hong Kong who were not normally dependent on their earnings."

Where a woman can show that she was so dependent (and this would include the case of a nurse who was in private employment before joining the ANS) application for more liberal treatment would receive consideration.

"I was not previously aware that these persons were given contracts of service for the duration of the war but I am advised that temporary engagements of this nature must be regarded as having been terminated on Japanese occupation."—Reuter.

SHARP WARNING TO RUSSIA
(Continued from Page 1)

Policy action are alien to U.S. foreign policy and almost impossible owing to the United States constitutional machinery but both House and Congressmen have made it clear in the last few days that they backed the policy enunciated by President Truman today, they will be giving Greece and Turkey the sort of guarantee of freedom and integrity that Britain gave to Poland and Rumania in face of German pressure before the onset on Poland.

Congressional circles do not regard the dimensions of financial assistance as of primary importance but they are fully cognisant of its political aspects in the same way as they discussed primarily the political aspects of similar "lend-lease" aid to Britain in 1941, when the United States was still at peace.

President Truman said that he might have to come back again to them for further funds and further authority and both President Truman and the Secretary of State, Mr. Marshall, in private meetings have warned Congressional leaders that there can be no stepping back from the full political commitment once taken and that similar assistance and guarantees may have to be given to other countries besides Greece and Turkey, wherever the Soviet foreign policy seeks by coercion, intimidation or infiltration to force totalisation and pro-Soviet regimes upon peoples against their will.—Reuter.

Four Requests
The President asked for:—
1. Permission to spend U.S. \$400,000,000 in Greece and Turkey for the period ending June 30, 1948.
2. The right to send civilians and military men to the two countries to assist reconstruction and to supervise the use of the aid.
3. Legislation giving the administration leeway in making the "speediest and most effective use" of the funds in terms of "needed commodities, supplies and equipment."
4. Authority to provide instruction and training of selected Greek and Turkish personnel. This could mean military training in the United States such as was provided for British aviators during the war.—Associated Press.

London, Mar. 12.
Radio Moscow announced to-night that L.M. Kaganovich had been relieved of his duties as a deputy chairman of the Soviet Council of Ministers and as Minister of Building Materials.

In view of his taking over other work for the Supreme Presidium of the Supreme Soviet Council.—United Press

BUDGET INTRODUCED IN COUNCIL

(Continued from Page 1)

balance. When Your Excellency appointed a Taxation Committee in September, 1946, you drew attention to the duty which we all owe to reduce so far as we may, both in extent and in duration of time, our dependence on His Majesty's Government for financial aid to meet the difference between our revenue and our recurrent expenditure.

Salaries Commission
The increases in taxation already introduced and the proposals for direct taxation now to be brought before this Council, the effect of which is reflected in the Revenue figures, has resulted in the attainment of a balance between revenue and recurrent expenditure. With the proposed issue of a loan to finance necessary rehabilitation expenditure of a non-recurrent character, we shall no longer be dependent on His Majesty's Government in so far as the future is concerned.

"As regards the past, there are a large number of important questions which still await decision. The final settlement of accounts for the military period and the incidence of the cost of demobilisation expenses and pensions in respect of the Volunteers are among the most important but there are many others."

It is felt that the expenditure estimate would lack reality unless it took into account the possible effects of the Salaries Commission which, with the approval of the Secretary of State, is to be appointed in the very near future to review the emoluments of the public service.

It is generally agreed that these are at present inadequate and it therefore seemed prudent to make some allowance for the cost of the possible recommendations of the Commission.

Municipal Council
This has been done by increasing the provision under Miscellaneous Services—Cost of Living and Rehabilitation and Social Allowances over and above the figure required to cover the present scale of allowances. It is obviously impossible to forecast with any degree of precision the sum required for this purpose so the figure of \$5,000,000 which has been inserted may be regarded as a token sum.

"Another factor may be mentioned for which it has been necessary to make special provision. It is intended that the new Municipality shall be established in the course of the coming financial year and until certain Heads of Revenue are transferred to that body it will be necessary for them to have a working balance on which they can draw. A sum of \$1,500,000 has accordingly been included under Miscellaneous Services as an initial grant to the Municipal Council.

"All departmental expenditure has been carefully examined and the provision which has been made represents what is considered to be the minimum necessary to finance the various services as at present organised. Government is fully conscious of the necessity of keeping recurrent expenditure down to the minimum figure consistent with efficiency and, with the approval of the Secretary of State, it is making arrangements for the examination of establishments by an efficiency expert with a view to suggesting possible economies and schemes for re-organisation."

Staff Reductions
The work of many departments is still greatly in excess of that for which the establishments were designed and it has in consequence been necessary to augment their staffs. The policy has been to provide for such additional staff under block votes as temporary staff rather than detail the appointments in the departmental estimates which is apt to convey some suggestion of permanency. It is most deplorable to avoid any further increases in establishments, except for entirely new services, until the position has been examined in detail by the Efficiency Expert.

"Personal Emoluments in the 1947/48 Estimates total \$2,180,718 as compared with \$3,154,200 for 1946/47. But to the latter figure must be added the sum of \$750,000 which was provided under Miscellaneous Services to cover the emoluments of Military Officers on loan. There has thus been a reduction of \$1,700,000 and there will be a further reduction in the figure of temporary emoluments."

partments are still further reduced. "I am speaking, of course, of basic salaries for, in addition to making tentative provision as I have already explained for such increases in total emoluments as may result from the recommendations of the Salaries Commission, it has been necessary to increase the provision under Miscellaneous Services for Cost of Living and Rehabilitation Allowances as a result of the additional special allowances granted to some grades of the service in accordance with the recommendations of the Staff and Allowances Committee."

Agriculture
"Other Charges for 1947/48 total \$37,280,025 which is higher than last year's figure. The increase is, however, more apparent than real for, if the budget had not included certain new services and due allowance for the fact that Other Charges (as opposed to Personal Emoluments) were in 1946/47 calculated on an eleven-month basis, some reduction would have been shown."

"I will now touch briefly on some of the more important items of expenditure under the various Departmental Heads."

"The work of the Development Secretariat and its various sub-departments continues to expand. In place of the single post of Agricultural Officer hitherto included in the Agricultural Department vote, which incidentally has not been substantially increased since 1947, it is proposed to provide for a senior Agricultural Officer of some years' experience and for an Officer with special experience in Animal Husbandry."

"It is felt that the latter appointment will be of great benefit to the New Territories. Provision has been made for the establishment of Pig and Cattle Stations and for the further development of the Agriculture Experimental Station. It is also proposed to extend the Vegetable Marketing Scheme to Hong Kong Island."

School Meals
"In view of its growing importance, the Directorate of Air Services now becomes a separate Head of the Estimates and considerable additional funds are included to enable it to provide satisfactory facilities for the increasing volume of air traffic which is now including Hong Kong in its itinerary."

"Last year, Honorable Members were a little doubtful whether enough was being done to provide vernacular schools. An increase of 22 Assistant Masters and 31 Assistant Mistresses is being provided for and the subsidy to vernacular schools has been increased by \$510,000."

"Provision has also been made for a School Meals Service at a cost of \$1,320,000. The proposal is to provide all children up to the age of 15 who are in need of a supplementary diet with milk and biscuits. The parents of children who can afford to contribute to the cost will be required to do so. This is a service which has been provided in most of the more developed Colonial Dependencies and it is felt that it should be introduced here."

"A considerable increase in expenditure amounting to just over \$2,500,000 is provided for under Kowloon-Canton Railway. As more locomotives come into service the number of trains operating over the system is being increased and although these added activities necessarily mean more expenditure they are also reflected on the revenue side of the budget."

"Provision has been made for considerable expansion in the Labour Office. An increase in the establishment of three Labour Officers, one Lady Assistant Labour Officer and one Chinese Assistant Labour Officer has been provided for. One of the Labour Officers has been serving during the past year as a Military Officer and one of these still to be appointed will have special Trade Union experience and so be qualified to advise on such questions."

Memorial Fund
"Under the Head Miscellaneous Services a sum of \$250,000 has been inserted as a token contribution to the War Memorial Fund. When the objects and reasons relating to the War Memorial Fund Ordinance were published it was stated that it was the intention of Government to invite Legislative Council to invite Legislature to contribute to the fund. The financial year a sum proportionate to the contributions of the public during the financial year immediately preceding."

"It has been felt that those administering the fund will require some working capital to tide them over until substantial contributions from the public are received and that it will therefore be convenient to provide a token sum in the Estimates on which the Committee can draw."

"It is still Government's intention that its contribution should be proportionate to the contributions of the public and any sum advanced from the provision now included in the Estimates will be adjusted later on that basis."

"Provision is made in the Estimates of the District Watch Force. Formerly, as Honourable Members are aware, this Force was maintained from a fund made up of contributions from various sources. Since the re-occupation of the District Watch Force, the resources of the Force have been insufficient for its maintenance and it was felt that it would not be proper to revert to the piecemeal system of collecting subscriptions privately for this purpose."

"Government, therefore, decided to take over the existing Force but no further increase of Force will be carried out. The intention is that the Force should be gradually reduced in numbers until a figure is reached which is sufficient for the carrying out of the investigation and other duties required by the Secretariat for Chinese Affairs."

Re-Votes Necessary
"The importance of effecting a progressive reduction in the expenditure of temporary departments has not been lost sight of. The expenditure of the Custodian of Property Department is \$333,002 less than last year and it is expected that the Department will close down completely by the end of 1947."

"The expenditure of the Supplies, Trade and Industry Department is \$343,754 as compared with \$1,283,300 for the present year but the latter figure is the full total as a number of military officers were attached to the Department and paid from the provision 'Emoluments of Military Officers on Loan'. The actual reduction is therefore greater than the apparent one of \$939,546."

"Relief Services are no longer shown as a separate Head and have been included under the Medical Department vote. In place of the Repatriation Claims Office Head, provision has been made under Miscellaneous Services for the expenses of the War Damages Claims Commission. The expenses of the Quartermaster's Department are also being included in this Head."

"As I have stated earlier, Special Expenditure up to Mar 31 is expected to reach a figure of some \$40,000,000. It is proposed to earmark a further sum of approximately \$60,000,000 from loan to finance necessary rehabilitation expenditure during 1947/48. The actual schedule will be submitted when these Estimates are considered in Select Committee but many re-votes will be necessary in respect of equipment ordered which could not be delivered before the end of this financial year."

P.W.D. Programme
"Once again, a considerable sum will be required for the purchase of rolling stock for the Railway. It is estimated that further expenditure to a figure of \$25,000,000 will probably be required before the system is completely rehabilitated but, of course, all this cannot be done in one year. It is most important that the Police should be provided with up-to-date radio communication system and further equipment for the airport will also be necessary. Efforts are being made to secure additional architects, structural engineers and quantity surveyors on a three-year agreement in order that a large building programme may be put in hand by the Public Works Department. This will include quarters to replace the large number which were damaged beyond repair. A considerable amount of repair work on other buildings is to be done and, as I have mentioned, a heavy expenditure is necessary on the rehabilitation of the Waterworks."

"I have endeavoured to give a general outline of the position. We hope to balance our budget and to finance non-recurrent rehabilitation expenditure from loan funds. But no one must imagine that we are out of the wood financially. This is far from being the case."

"Our borrowing powers are limited and the volume of rehabilitation work still to be carried out is very large. As I have mentioned at an earlier stage many important issues remain to be settled and the Colony may be faced with claims for very considerable amounts indeed in respect of past events. We have no surplus balances and no Reserve Fund."

"There is, moreover, always the danger of a serious slump. But Hong Kong has shown remarkable powers of recuperation, and if it can only enjoy several years of prosperity there is no reason why it should not again gradually re-establish its financial on a sound basis."

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